



# **PSC NEWS**

## **Missouri Public Service Commission**

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Contact: Kevin Kelly

Phone: (573) 751-9300

*Governor Office Building, Suite 900*

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### **PSC APPROVES AGREEMENT REACHED IN UTILICORP UNITED CASE**

Jefferson City (February 27, 2002)---The Missouri Public Service Commission has approved an agreement reached between UtiliCorp United, Incorporated, the Office of the Public Counsel and the Staff of the Missouri Public Service Commission which changes the operation and documentation of the Gas Supply Services Department of UtiliCorp United.

On October 16, 2000, the Staff of the Missouri Public Service Commission asked the Commission to establish a case in order to investigate certain allegations of impropriety contained in an anonymous letter received by Public Service Commissioner Sheila Lumpe on September 9, 2000. The letter alleged that the Gas Supply Services Department of UtiliCorp United, Inc. d/b/a Missouri Public Service (UtiliCorp), had engaged in certain improper activities intended to increase corporate profits at the expense of Missouri ratepayers.

As part of its investigation, the PSC Staff conducted a management audit of UtiliCorp's Gas Supply Services Department. As a result of the agreement, UtiliCorp United, Incorporated will implement a number of recommendations including:

- Complete an internal review of the Gas Supply Services Department function. This will be initiated by UtiliCorp's Risk Assessment and Audit Service Department. Company management is to respond to the findings and conclusions of the internal review within 60 days of the report.
- UtiliCorp United, Inc. will formalize the development of a manual for Gas Supply Services setting out general guidelines, policies, procedures, business strategies, employee compensation, education and compliance.
- Require that gas buyers include their names on a "portfolio managers review" report.
- Develop procedures for each employee to record their actual time on a daily basis.

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- Require all gas supply procurement personnel to submit time sheets for each pay period.
- Develop written job descriptions for gas supply procurement employees and provide copies of the descriptions to their respective employees.
- Develop a process by which to keep job descriptions current.

These recommendations are designed to improve the PSC Staff's and UtiliCorp's review of transactions as well as to improve the documentation of gas supply services.

Financial impacts as they relate to Missouri ratepayers will be addressed in a number of purchased gas adjustment cases currently before the Missouri Public Service Commission. The PSC Staff believes that adjustments to Missouri Public Service's rates should occur. The Commission will ultimately determine what adjustments, if any, should be made to customer rates.

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Case No. GO-2001-249